

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|---------------------------------------|---|-----------------|
| IN THE MATTER OF NOTICE AND |) | |
| APPLICATION OF JACKSON PURCHASE |) | |
| ELECTRIC COOPERATIVE CORPORATION |) | |
| FOR PERMISSION TO FLOW THROUGH A |) | |
| PORTION OF THE GENERAL RATE |) | CASE NO. 97-224 |
| DECREASE FILED BEFORE THE KENTUCKY |) | |
| PUBLIC SERVICE COMMISSION BY BIG |) | |
| RIVERS ELECTRIC CORPORATION, CASE NO. |) | |
| 97-204 |) | |

O R D E R

IT IS ORDERED that Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase"), the Attorney General, and Kevin Cherry shall either jointly or separately file the original and 8 copies of the following information with the Commission within 14 days of the date of this Order, with a copy to all parties of record. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. Where requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this Order.

1. a. What Times Interest Earnings Ratio ("TIER") will result from the agreed-upon revenue requirement?

b. Provide all workpapers and show all calculations used to derive the response to the above question.

2. If a TIER of 1.5 or less results from the proposed revenue requirement, what affect will rates producing this requirement have on Jackson Purchase's financial integrity?

3. When calculating TIER to determine whether a rotation of capital credits is required under the Settlement Agreement, will Jackson Purchase's calculations exclude expenses that the Commission has historically disallowed for rate-making purposes?

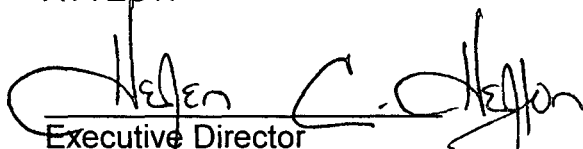
4. In its application, Jackson Purchase requested that the Commission approve its adoption of the remaining life depreciation method recommended in a 1995 depreciation rate study. The Settlement Agreement is silent on this aspect of Jackson Purchase's application.

a. Is it the intent of the parties to the Settlement Agreement that the Commission take no action upon the request for approval of Jackson Purchase's use of the remaining life depreciation method?

b. If no, is it the intent of the parties that the Commission consider and decide Jackson Purchase's request so long as such Commission action does not affect any provisions of the Settlement Agreement?

Done at Frankfort, Kentucky, this 6th day of March, 1998.

ATTEST:


Executive Director

PUBLIC SERVICE COMMISSION


For the Commission